

Bulk Industrier AS: Bulk Infrastructure AS - Business update: Reorganization, Fiber Networks and Covid-19

Initiation of corporate reorganization

In accordance with the Bulk Infrastructure bond terms, Bulk Infrastructure AS has initiated execution of a reorganization of its group structure, including the debt pushdown. We expect the reorganization to be completed by the end of June. This will improve the group's flexibility to finance each business area independently going forward.

Fiber Networks update

As part of a recent strategic review of Bulk's portfolio of dark fiber network systems, Bulk engaged Analysys Mason to carry out a valuation of Bulk's fiber network assets. The valuation includes the Inter-City Ring in Norway, as well as the ongoing construction of international fiber networks that enable the Nordics as a digital infrastructure provider. Analysys Mason is a global consulting and research firm specialising in telecoms, media and digital services. The Analysys Mason valuation report estimates the value of Bulk's fiber network assets to approx. NOK 1.5 billion.

Building fiber network infrastructure will be subject to acceptable weather conditions and local permitting processes. The Havfrue trans-Atlantic cable system between Norway, Denmark and the US is expected ready for service (RFS) in 2020, however its Ireland branch is now expected to slip into 2021. Bulk's Inter-City Ring between Oslo and Bergen in Norway is expected to be completed and operational in 2020 in spite heavy snow and late melting during spring. The new system called Havhingsten from Denmark to UK and Ireland expects its RFS late 2020/early 2021.

Covid-19 update

Bulk's logistics properties and digital infrastructure have remained fully operational since the Covid-19 outbreak. Bulk has experienced no defaults on customer contract payments. Bulk has taken measures to maintain our sales efforts for example using virtual customer site visits. Despite customer investment decisions tending to take longer time, we continue to see a steady demand for our services across business areas.

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